PHILIP MORRIS USA INTER-OFFICE CORRESPONDENCE

120 PARK AVENUE, NEW YORK, NY 10017-5592

TO: Distribution **DATE:** December 17, 1993

FROM: Sonya Rush/Gina Plaia

SUBJECT: **CAMBRIDGE MARCH - MAY 1994 MEGA OUTLET PROMOTION ELEMENTS MEMO**

OVERVIEW

From March 1994 through May 1994 Cambridge will run a national Buy Three Cartons Get One Free promotion intended for mega volume outlet stores. The promotion is suited for areas which have lower pricing structure where consumers are prepared to buy a one month's supply of cigarettes at one time.

Please note that this program should hit stores the first week of each month, and should not coincide with Basic's Mega Volume program taking place the last week of each month.

OBJECTIVES/STRATEGIES

The promotion is designed to generate multi-carton purchases in mega volume outlets with an emphasis on border stores, Indian outlets. etc. It will encourage consumers to pantry load Cambridge and thereby take them out of the market and buying cycle for an extended period of time. Field Sales Force is encouraged to place this promotion for a week to 10 days at the beginning of every month to coincide with consumer pay periods. Buy three get one free offers will be banded together with U-Bands for easy consumer take away.

PROGRAM DETAILS

Program:	Cambridge Mega Outlet Multi-Carton Promotion
Timing:	March, April and May 1994 (first week of every month)
Scope:	National
Target:	Mega Volume Outlets
Minimum Deals required for placement:	50 Deals
Penetration:	4,500 locations
Deals/Reach:	225,000
Sales/Units:	180,000,000

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CONSUMER OFFER

The program will offer one carton free to consumers with the purchase of three (B3GIF carton). The fourth carton will be complimentary product (wholesale cost). **Under no circumstances should the deals be broken down at retail,** and sold as price off of individual Cambridge cartons.

PRODUCT/MATERIALS

The product will be assembled by the Field Sales Force. A B3GIF Poly-U-Band will be provided.

DISPLAYS

Sales reps should erect free-standing displays from the four carton deals or use 200 carton semi-permanent displays in inventory. The minimum display size per store is 50 deals. Each display should have a prominent price call out. A variety of POS materials will be provided. PM Express kits are available as follows:

50 deal (200 cartons) kit	PM EXP Kit#	Kit Dimensions	Kit Order Dates
Includes: 50 U-bands, 1 poster, 2/200 carton semi-permanent display headers	22205	36" W x 10" H x 1" D	1/31/94-4/30/94

To accommodate the above materials, a 200 carton semi-permanent display can be ordered separately utilizing POS# 50568 via the MIDAS system. In addition multiple sets of the above kit can be ordered to provide greater flexibility in number of cartons per store. (For example: if a store required 250 deals (1,000 cartons), five 50 deal kits could be ordered with the option of ordering one or several semi-permanent displays.)

PAYMENTS

Field sales should order materials on an as needed basis. Promo code necessary for this promotion is as follows:

	Promo Code
Gratis Carton Payment (wholesale cost)	222F
Distributor Assembly ($12/12M)	820

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ALLOCATIONS

Region 1	28,000
Region 2	42,000
Region 3	52,000
Region 4	51,000
Region 5	52,000

Attachment

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